

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 USIA-06 CIAE-00 INR-07 NSAE-00

/033 W

----- 016827

R 211400Z AUG 75

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 4240

USDOC WASHDC

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BEWT FOR STROH

EB/OCA FOR LAKAS

EUR/EE FOR DUNLOP

E.O. 11652: N/A

TAGS: BEXP RO

SUBJ: PROPOSED TRADE DEVELOPMENT CENTER FOR BUCHAREST

REF: A. STATE 190571; B. STROH/VIETS TELECON;

C. BUCHAREST 3975

1. SUMMARY: EMBASSY IN FULL ACCORD WITH USDOC THAT ROMANIA OFFERS FERTILE GROUND FOR INCREASED EXPORT PROMOTION EFFORTS. ADDITIONAL FUNDS AND PERSONNEL ARE REQUIRED TO REALIZE THIS POTENTIAL WHETHER IN FORM OF TRADE DEVELOPMENT CENTER OR AS INCREASED SUPPORT FOR E/C SECTION. END SUMMARY.

2. WE ARE EXTREMELY PLEASED THAT COMMERCE CONTINUES TO ACCORD PRIORITY TO EXPANSION OF OUR COMMERCIAL EFFORTS IN ROMANIA. COMMERCE CONSIDERATION OF TDC FOR BUCHAREST PARALLELS EMBASSY THINKING ABOUT NEED FOR ADDITIONAL RESOURCES. WE ARE FIRMLY CONVINCED THAT, WITH GRANTING OF MFN, US HAS GREATLY ENHANCED EXPORT POTENTIAL IN ROMANIAN MARKET. GOR ECONOMIC ESTABLISHMENT HAS CONVEYED REPEATED SIGNALS THAT IT FORESEES PROSPECTS FOR RAPID

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EXPANSION OF TRADE AND ECONOMIC COOPERATION. GOR WILLINGNESS

TO ENGAGE IN SYSTEMATIC REVIEW AND PROBLEM SOLVING IN CONTEXT OF MORTON/OPREA FOLLOW-UP IS, WE BELIEVE, CONCRETE EXPRESSION OF GOR INTEREST IN QUICKENING PACE OF OUR BILATERAL ECONOMIC RELATIONS. IN ADDITION WE ARE GETTING FREQUENT INDICATIONS OF GOR DESIRE TO MOVE AWAY FROM THEIR SUPPLIER RELATIONSHIPS WITH TRADITIONAL WESTERN EUROPEAN TRADING PARTNERS.

3. TO PROFIT FROM THIS IMPROVED COMMERCIAL ELIMATE WE WILL, AT A MINIMUM, NEED THE TWO ADDITIONAL LOCAL EMPLOYEES AND SUBSTANTIAL INCREASES IN SUPPORT FUNDS REQUESTED IN THIS YEAR'S BUDGETARY SUBMISSION TO DEPARTMENT OF STATE. TWO POSITIONS ARE NEEDED TO BOLSTER GROSSLY INADEQUATE AUTHORIZED STRENGTH OF ONE ECONOMIC/COMMERCIAL LOCAL.

4. WE WOULD PREFER, UNLESS BUDGETARY EXIGENCIES ABSOLUTELY REQUIRE A COMMITMENT, TO KEEP OPEN ALL OPTIONS CONCERNING STRUCTURE AND ORGANIZATION OF EXPANDED COMMERCIAL EFFORT IN BUCHAREST. OUR PRESENT THINKING INCLINES TOWARD EXPANSION OF COMMERCIAL SECTION RATHER THAN CREATION OF PHYSICALLY-SEPARATE TRADE DEVELOPMENT CENTER. WE ARE CONSCIOUS, HOWEVER, THAT NEW COMMERCIAL OPPORTUNITIES COULD ASSUME FORM AND CHARACTER WHICH WE CANNOT NOW ANTICIPATE.

5. OUR CURRENT OPPORTUNITIES, AS WE PERCEIVE THEM, ARE CATEGORIZED BELOW IN GENERAL ORDER OF PRIORITY:

A. ASSISTANCE WITH MAJOR COOPERATION PROPOSALS. WE VIEW THIS AREA OF ACTIVITY AS ONE OFFERING GREATEST PAYOFF, SINCE NUMBER OF PROJECTS ALREADY UNDER CONSIDERATION INVOLVE MAJOR SUMS. INCREASING AMOUNTS OF TIME WILL HAVE TO BE DEVOTED TO MONITORING NEGOTIATIONS BETWEEN U.S. FIRMS AND COUNTERPART FTO'S AND MINISTRIES AND FOLLOWING UP OF COMMUNICATIONS. MOREOVER, WE ANTICIPATE GROWING VOLUME OF NEW PROPOSALS AND TRADE OPPORTUNITIES, WHICH REQUIRE CONSIDERABLE MASSAGING BY OUR LOCAL STAFF BEFORE THEY ARE SUITABLE FOR SUBMISSION.

B. SUPPORT FOR U.S. EXPORTERS. GROWING NUMERS OF LIMITED OFFICIAL USE

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BUSINESS VISITORS AND CORRESPONDENCE WILL NECESSITATE COMMENSURATE INCREASE IN OUR CAPACITY TO ARRANGE APPOINTMENTS AND ASSIST WITH VARIOUS FORMS OF SUPPORT. IT IS EXTREMELY IMPORTANT THAT E/C SECTION HAVE ITS OWN AUDIO-VISUAL EQUIPMENT FOR LOAN TO VISITORS, WHICH WE HAVE INCLUDED IN OUR BUDGET SUBMISSION. WE CAN ALSO SEE CONSIDERABLE UTILITY IN HAVING TRANSIENT OFFICE SPACE FOR TRAVELLER'S USE. IT IS UNLIKELY, UNDER PRESENT GOR GROUND RULES THAT WE WOULD NEED

USG SPACE FOR SUBSTANTIVE DISCUSSIONS BETWEEN U.S. REPRESENTATIVES AND FTO/MINISTRY.

C. SEMINAR/PRODUCT DISPLAY. WE WOULD EXPECT STRAIGHT EXPORT OF CAPITAL EQUIPMENT TO INCREASE AT RESPECTABLE RATE, ALTHOUGH SLOWER THAN SALES WHICH ARE PART OF COOPERATION PACKAGE. WE ARE SKEPTICAL, HOWEVER, WHETHER THIS DIMENSION OF OUR TRADE RELATIONS WILL GROW SO FAST AS TO WARRANT COMMITMENT OF DISPROPORTIONATELY LARGE PERCENTAGE OF OUR RESOURCES THAT MULTI-FIRM PRODUCT DISPLAYS WOULD ENTAIL. FOR SEMINARS, WHICH WE CONTINUE TO REGARD AS VALUABLE TECHNIQUE, WE HAVE FOUND THAT COMBINATION OF HOTEL FACILITIES AND AMERICAN LIBRARY, GENEROUSLY MADE AVAILABLE BY USIS, SATISFIES OUR NEEDS. AT THIS STAGE, INTEREST IN SINGLE COMPANY PRODUCT DISPLAYS IS FAIRLY MODEST, BUT THIS COULD GROW SUFFICIENTLY TO MAKE REMUNERATIVE MODEST INVESTMENT IN DISPLAY FACILITY.

6. MAJOR FACTOR IN FINAL DECISION ON TRADE CENTER MUST SIMPLY BE AVAILABILITY OF SUITABLE SPACE. EMBASSY WOULD INSIST THAT IT BE WITHIN WALKING RADIUS OF CHANCERY SO AS TO MINIMIZE INEVITABLE INTERNAL COORDINATION PROBLEM AND TO LIMIT INCONVENIENCE TO BUSINESSMEN IN THOSE FREQUENT INSTANCES IN WHICH VISITS TO BOTH TRADE CENTER AND EMBASSY WOULD BE REQUIRED. SITES WHICH MIGHT MEET OUR REQUIREMENTS DO INDEED EXIST, INCLUDING CONCEIVABLY REFURBISHING OF EMBASSY ANNEX, BUT IMPOSSIBLE TO SAY WHAT OUTLOOK WOULD BE YEAR FROM NOW.

7. IF STATE AND COMMERCE AGREE TO SUPPORT RTDC FOR BUCHAREST WE CAN VISUALIZE ESTABLISHING FACILITY ONLY IF FULL BUDGETARY REQUIREMENTS WERE SOUGHT IN SAME FISCAL YEAR. IT IS OUR STRONG IMPRESSION THAT VIABLE OPERATION WOULD REQUIRE LIMITED OFFICIAL USE

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COMPLEMENT OF ONE AMERICAN OFFICER AND THREE LOCALS. AMERICAN OFFICER CAN BE PROVIDED FROM EXISTING COMPLEMENT BY HAVING COMMERCIAL ATTACHE SIMULTANEOUSLY WEAR HAT AS TRADE CENTER DIRECTOR. EXISTING E/C LOCAL COULD NOT, HOWEVER, BE REPROGRAMMED IF TRADE CENTER WERE SEPARATE FROM EMBASSY SO AUTHORIZATION SHOULD BE SOUGHT FOR ALL THREE LOCAL EMPLOYEES.

8. WE BELIEVE CONCEPT OF CENTER CAN BE USEFULLY EXPLORED FURTHER WITH USDOC AND DEPT. DURING STROH'S PLANNED VISIT AND AMBASSADOR'S AND ECONOMIC COUNSELOR'S TRAVEL TO U.S. IN OCTOBER.
BARNES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUCHAR04133
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750289-1000
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750828/aaaaaykg.tel
Line Count: 167
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 190571
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by MartinML>; APPROVED <21 OCT 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED TRADE DEVELOPMENT CENTER FOR BUCHAREST
TAGS: BEXP, RO
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006